

**BEFORE THE
TENNESSEE REGULATORY AUTHORITY**

REC'D TN
REGULATORY AUTH.
•00 SEP 5 PM 12 02
OFFICE OF THE
EXECUTIVE SECRETARY
Docket No. 00-00649

In the Matter of the Application of

Vectris Telecom, Inc.

For a Certificate of Public Convenience and
Necessity to Provide Facilities-Based and
Resold Local Exchange and Interexchange
Telecommunications Services
Throughout the State of Tennessee

Vectris Response to Information Request

Financial Requirements:

1. Most recent audited financial statement with the appropriate detail (Balance Sheet, Income Statement, and Statement of Cash Flows).

Response: Detailed Income Statement, Balance Sheet and Cash Flow Statement for the period ending June 30, 2000 are attached as Exhibit A. Also included is a letter from Vectris' Comptroller, Marty Clarke to Daryl Whitis, which explains the relationship between the holding company and the operating company in addition to the use of "sweet accounts."

2. Surety bond in the amount of \$20,000.

Response: Attached as exhibit B.

*Confidential
envelope or file*

POSTED
9-5-00

EXHIBITS

Financial InformationExhibit A

Surety Bond.....Exhibit B

EXHIBIT A

Financial Information

EXHIBIT B

Surety Bond

TENNESSEE REGULATORY AUTHORITY

TENNESSEE TELECOMMUNICATIONS SERVICE PROVIDER'S SURETY BOND

Bond #: 8302-81-96

WHEREAS, Vectris Telecom, Inc. (the "Principal"),
has applied to the Tennessee Regulatory Authority for authority to provide telecommunications services in the State of Tennessee; and

WHEREAS, under the provisions of Title 65, Chapter 4, Section 125(j) of the Tennessee Code Annotated, as amended, the Principal is required to file this bond in order to obtain such authority and to secure the payment of any monetary sanction imposed in any enforcement proceeding brought under Title 65 of the Tennessee Code Annotated or the Consumer Telemarketing Act of 1990 by or on behalf of the Tennessee Regulatory Authority (the "TRA"); and

WHEREAS, VIGILANT INSURANCE COMPANY
(the "Surety"), a corporation licensed to do business in the State of Tennessee and duly authorized by the Tennessee Commissioner of Insurance to engage in the surety business in this state pursuant to Title 56, Chapter 2 of the Tennessee Code Annotated, has agreed to issue this bond in order to permit the Principal to comply with the provisions of Title 65, Chapter 4, Section 125(j) of the Tennessee Code Annotated;

NOW THEREFORE, BE IT KNOWN, that we the Principal and the Surety are held and firmly bound to the STATE OF TENNESSEE, in accordance with the provisions of Tennessee Code Annotated, Title 65, Chapter 4, Section 125(j), in the full amount of twenty thousand dollars (\$20,000.00) lawful money of the United States of America to be used for the full and prompt payment of any monetary sanction imposed against the Principal, its representatives, successors or assigns, in any enforcement proceeding brought under Title 65 of Tennessee Code Annotated or the Consumer Telemarketing Act of 1990, by or on behalf of the TRA, for which obligation we bind ourselves, our representatives, successors and assigns, each jointly and severally, firmly and unequivocally by these presents.

This bond shall become effective on the 30th day of August, 2000 and shall be continuous; provided, however, that each annual renewal period or portion thereof shall constitute a new bond term. Regardless of the number of years this bond may remain in force, the liability of the Surety shall not be cumulative, and the aggregate liability of the Surety for any and all claims, suits or actions under this bond shall not exceed Twenty Thousand Dollars (\$20,000.00). The Surety may cancel this bond by giving thirty (30) days written notice of such cancellation to the TRA and Principal by certified mail, it being understood that the Surety shall not be relieved of liability that may have accrued under this bond prior to the date of cancellation.

PRINCIPAL

Vectris Telecom, Inc.

Name of Company authorized by the TRA

128612

Company ID # as assigned by TRA

SIGNATURE OF PRINCIPAL

Name:

Title:

SURETY

VIGILANT INSURANCE COMPANY

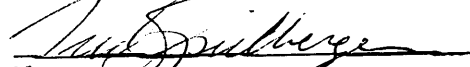
Name of Surety

15 Mountain View Road

Warren, New Jersey 07059

Address of Surety

SIGNATURE OF SURETY AGENT



Name: Fred Spielberger

Title: Attorney-in-Fact

Address of Surety Agent:

N/A

THIS BOND IS ISSUED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 125, CHAPTER 4, TITLE 65 OF THE TENNESSEE CODE ANNOTATED AS AMENDED BY CHAPTER NO. 586, 2000 PUBLIC ACTS. SHOULD THERE BE ANY CONFLICT WITH THE TERMS HEREOF AND THE STATUTE OR REGULATIONS PROMULGATED THEREUNDER, THE STATUTE OR REGULATIONS SHALL PREVAIL. (POWER OF ATTORNEY FROM AN APPROVED INSURANCE COMPANY MUST BE ATTACHED.)

ACKNOWLEDGMENT OF PRINCIPAL

STATE OF TENNESSEE
COUNTY OF _____

Before me, a Notary Public of the State and County aforesaid, personally appeared _____ with whom I am personally acquainted and who, upon oath, acknowledged himself to be the individual who executed the foregoing bond on behalf of _____, and he acknowledged to me that he executed the same.

WITNESS my hand and seal this _____ day of _____, 20____.

My Commission Expires:

_____, 20____

Notary Public

ACKNOWLEDGMENT OF SURETY

STATE OF TENNESSEE
COUNTY OF _____

Before me, a Notary Public of the State and County aforesaid, personally appeared _____ with whom I am personally acquainted and who, upon oath, acknowledged himself to be the individual who executed the foregoing bond on behalf of _____, the within named Surety, a corporation licensed to do business in the State of Tennessee and duly authorized by the Tennessee Commissioner of Insurance to engage in the surety business in this state pursuant to Title 56, Chapter 2 of the Tennessee Code Annotated, and that he as such an individual being authorized to do so, executed the foregoing bond, by signing the name of the corporation by himself and as such individual.

WITNESS my hand and seal this _____ day of _____, 20____.

My Commission Expires:

_____, 2000

Notary Public

APPROVAL AND INDORSEMENT

This is to certify that I have examined the foregoing bond and found the same to be sufficient and in conformity to law, that the sureties on the same are good and worth the penalty thereof, and that the same has been filed with the Tennessee Regulatory Authority, State of Tennessee, this _____ day of _____, 20____.

Name:

Title:

VIGILANT INSURANCE COMPANY

STATEMENT OF ASSETS, LIABILITIES AND SURPLUS TO POLICYHOLDERS

Statutory Basis

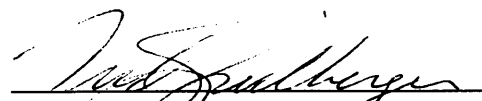
DECEMBER 31, 1999

(in thousands of dollars)

ASSETS		LIABILITIES AND SURPLUS TO POLICYHOLDERS	
Cash	\$ 2,189	Outstanding Losses and Loss Expenses	\$ 429,579
United States Government, State and Municipal Bonds	606,373	Unearned Premiums	122,962
Other Bonds	144,863	Provision for Reinsurance	3,317
Stocks	4,594	Other Liabilities	<u>39,983</u>
Short Term Investments	<u>36,451</u>		
TOTAL INVESTMENTS	794,470	TOTAL LIABILITIES	<u>595,841</u>
Investments in Affiliates	45,006	Capital Stock	4,000
Net Premiums Receivable	63,533	Paid-In Surplus	25,669
Other Assets	<u>22,716</u>	Unassigned Funds	267,878
		Unrealized Appreciation of Investments	<u>32,337</u>
		SURPLUS TO POLICYHOLDERS	<u>329,884</u>
TOTAL ADMITTED ASSETS	<u>\$ 925,725</u>	TOTAL LIABILITIES AND SURPLUS TO POLICYHOLDERS	<u>\$ 925,725</u>

Investments are valued in accordance with requirements of the National Association of Insurance Commissioners.
Investments valued at \$7,620 are deposited with government authorities as required by law.

A CORRECT STATEMENT:


Assistant Secretary or Attorney-in-Fact
Fred Spielberger,



POWER
OF
ATTORNEY

Federal Insurance Company
Vigilant Insurance Company
Pacific Indemnity Company

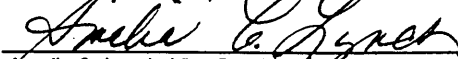
Attn.: Surety Department
15 Mountain View Road
Warren, NJ 07059

Know All by These Presents, That FEDERAL INSURANCE COMPANY, an Indiana corporation, VIGILANT INSURANCE COMPANY, a New York corporation, and PACIFIC INDEMNITY COMPANY, a Wisconsin corporation, do each hereby constitute and appoint Gerardo G. Mauriz, Frank E. Robertson, James E. Altman, F. Jay Scribner, Scott W. Bishop, John B. Fuoss, John P. Smith, Kenneth C. Wendel, Patricia S. Artinian, Edward J. French, Donna M. Powers, Christopher T. Parker, J. M. Fairweather, Jane M. Bender, Dekker Buckley, Richard W. Barnett, Edward J. Reilly, Helen S. Brown and Fred Spielberger of Warren, New Jersey-----

-----each as their true and lawful Attorney-in-Fact to execute under such designation in their names and to affix their corporate seals to and deliver for and on their behalf as surety thereon or otherwise, bonds and undertakings and other writings obligatory in the nature thereof (other than bail bonds) given or executed in the course of business, and any instruments amending or altering the same, and consents to the modification or alteration of any instrument referred to in said bonds or obligations.

In Witness Whereof, said FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY have each executed and attested these presents and affixed their corporate seals on this 31st day of March, 2000.


Peter Fitterer, Assistant Secretary


Amelia C. Lynch, Vice President


STATE OF NEW JERSEY }
County of Somerset } ss.

On this 31st day of March, 2000, before me, a Notary Public of New Jersey, personally came Peter Fitterer, to me known to be Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY, the companies which executed the foregoing Power of Attorney, and the said Peter Fitterer being by me duly sworn, did depose and say that he is Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY and knows the corporate seals thereof, that the seals affixed to the foregoing Power of Attorney are such corporate seals and were thereto affixed by authority of the By-Laws of said Companies; and that he signed said Power of Attorney as Assistant Secretary of said Companies by like authority; and that he is acquainted with Amelia C. Lynch, and knows her to be Vice President of said Companies; and that the signature of Amelia C. Lynch, subscribed to said Power of Attorney is in the genuine handwriting of Amelia C. Lynch, and was thereto subscribed by authority of said By-Laws and in deponent's presence.

Notarial Seal



WENDIE . WALSH
Notary Public, State of New Jersey
No.0054504
Commission Expires April 10, 2003


Notary Public

CERTIFICATION

Extract from the By-Laws of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY:

"All powers of attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman or the President or a Vice President or an Assistant Vice President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed. The signature of each of the following officers: Chairman, President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached."

I, the undersigned, Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY (the "Companies") do hereby certify that

- (i) the foregoing extract of the By-Laws of the Companies is true and correct,
- (ii) the Companies are duly licensed and authorized to transact surety business in all 50 of the United States of America and the District of Columbia and are authorized by the U. S. Treasury Department; further, Federal and Vigilant are licensed in Puerto Rico and the U. S. Virgin Islands, and Federal is licensed in American Samoa, Guam, and each of the Provinces of Canada except Prince Edward Island; and
- (iii) the foregoing Power of Attorney is true, correct and in full force and effect.

Given under my hand and seals of said Companies at Warren, NJ this 30th day of August, 2000




Assistant Secretary

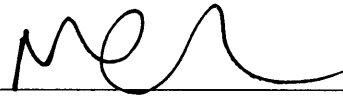
IN THE EVENT YOU WISH TO NOTIFY US OF A CLAIM, VERIFY THE AUTHENTICITY OF THIS BOND OR NOTIFY US OF ANY OTHER MATTER, PLEASE CONTACT US AT ADDRESS LISTED ABOVE, OR BY
Telephone (908) 903-3485 Fax (908) 903-3656 e-mail: surety@chubb.com

VERIFICATION

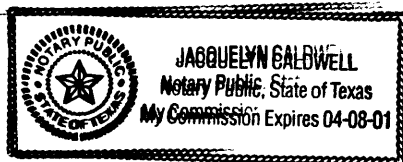
I, M.C. Arendes, Jr., Vice President and Secretary of Vectris Telecom, Inc., am authorized to make this verification on its behalf. I have read the foregoing Response to Information Request and exhibits and know the contents thereof, and the same is true to the best of my own knowledge, except as to those matters therein stated on information and belief, and as to those matters I believe them to be true.


I declare under penalty of perjury that the foregoing is true and correct.

EXECUTED this 31st day of August, 2000, at Austin, Texas.


By: M. C. Arendes, Jr.
Title: Vice President and Secretary
Vectris Telecom, Inc.

Subscribed and sworn to before me this 31st day of August, 2000.




Notary Public

My Commission Expires: April 8, 2001